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"The I. W. W. has importance only as an illustration of a stable American economic process".<sup>23</sup> The energy expended by the legislatures upon a body which brings together twenty-five delegates in its annual convention,<sup>24</sup> and in the fifteen years of its existence has never claimed 80,000 members,<sup>25</sup> seems sadly misdirected. The larger problem of the 600,000 migratory laborers of the country,—the majority of whom are lumbering, harvesting, and fruit-picking in the states which have enacted "criminal syndicalism" laws,—cannot be solved by the present approach. The legislature may vent its excitement by jailing men for twenty-five years;<sup>26</sup> but it must set itself to the more drab task of eliminating the causes which lead men to desire violence as "a means of accomplishing political or industrial ends".

BUDGET LEGISLATION.—As a result of the cumulative effect of popular pressure<sup>1</sup> some eleven so-called budget bills have recently been presented to Congress, and congressional attention is now being definitely focused upon two of them.<sup>2</sup> In the consideration of these bills Congress has at its disposal a vast amount of precedent, since almost all foreign countries have in force some variety of the budget system,<sup>3</sup> and most

posters themselves. *State v. Moilen*, *supra*, footnote 13. The Acts are so recent that no other cases have reached courts of record.

<sup>23</sup>Carleton Parker, *The I. W. W.* (1917) 120 *Atlantic Monthly*, 651, 662.

<sup>24</sup>1912: 45 delegates, 1913: 37, 1914: 25, 1915: 25. Brissenden, *The I. W. W.*, 295, 303, 325, 338.

<sup>25</sup>These figures, impossible of accurate ascertainment, are analyzed by Brissenden, *op. cit.*, Appendix IV.

<sup>26</sup>"And we must not lose sight of the fact that the great danger in enacting statutes under the stress of great public excitement and pressure is that such legislation is very apt to reflect the crude and undigested sentiment of a public upheaval at the cost of encroachment on constitutional rights". Kalisch, J., in acquitting an inflammatory strike orator of a charge of criminal anarchy (N. J. Comp. St. p. 1744): *State v. Scott* (1914) 86 N. J. L. 133, 90 *Atl.* 235.

<sup>1</sup>President Taft's message to Congress on January 17, 1912, and the Report of President's Commission on Economy and Efficiency on "The Need for a National Budget" presented to Congress June 27, 1912, were among the first important official recognitions of the public insistence for administrative economy. In 1916 all the major political parties pledged themselves in their platforms to the adoption of a budget system.

<sup>2</sup>The so-called McCormick Bill (S. 3476) which has been read twice and referred to the Committee on Consideration of a National Budget System, and the so-called Good Bill (H. R. 9783) which has passed the House of Representatives by a vote of 283 to 3.

<sup>3</sup>"The United States is the only great Nation whose government is operated without a budget", President Taft's message to Congress on January 17, 1912. A recent list of the countries using some form of the budget system, compiled by the National Budget Committee (a District of Columbia Corporation) includes Argentine, Australia, Austria, Belgium, Bolivia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Cuba, Denmark, Dominican Republic, Ecuador, Egypt, France, Germany, Great Britain, Greece, Guatemala, Honduras, Hungary, Italy, Japan, Liberia, Luxembourg, Mexico, Montenegro, Netherlands, Newfoundland, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Portugal, Roumania, Russia, Salvador, Serbia, Siam, Sweden, Switzerland, Union of South Africa, Uruguay, Venezuela.

of the American states have adopted a budget plan by specific legislation.<sup>4</sup>

All of these budgetary systems purpose to bring economy and efficiency by the imposition upon the government of a definite financial and work program. The budget is the instrument through which the several financial operations of the government are correlated, compared one with the other, and brought under examination at one and the same time. It should be at once a report, an estimate, and a proposal.<sup>5</sup> The budget goes through four stages: it is prepared, ratified, executed, and audited.<sup>6</sup> In many of the states the governor is the budget officer; that is, the estimates are prepared under his supervision;<sup>7</sup> but in some states a special commission,<sup>8</sup> and in others a committee of the legislature,<sup>9</sup> has been entrusted with this work. About half of the state budget laws<sup>10</sup> do not deal with the ratification of the budget, apparently on the theory that legislative procedure is a matter to be determined by the legislature itself without statutory enactment. In some of the remaining states the power of the legislature is confined largely to reducing items in the budget,—the estimates for certain departments only being subject to increase.<sup>11</sup> In other states legislative procedure facilitating

<sup>4</sup>Alabama, Laws 1919, No. 31; Arizona, Laws 1919, c. 61; Arkansas, Laws 1913, No. 44; California, based on custom, not on specific statutory authority. See S. Doc. No. 111, 66th Cong. 1st Sess., p. 12; Colorado, Laws 1919, c. 12; Connecticut, Laws 1917, c. 171; Delaware, Laws 1917, c. 278; Georgia, Laws 1918, No. 327; Idaho, Laws 1919, c. 135; Illinois, Laws 1917, p. 2; Indiana, Laws 1919, c. 253. (Proposed constitutional amendment subject to referendum); Iowa, Laws 1915, c. 190; Kansas, Laws 1917, c. 312; Kentucky, Laws 1918, c. 12; Louisiana, Laws 1916, No. 140; Maine, Laws 1919, c. 102; Maryland, Const. Art. III, § 52, Laws 1916, c. 159; Montana, Laws 1919, c. 205; Michigan, Laws 1919, S. 41; Minnesota, Laws 1919, c. 356; Mississippi, Laws 1918, c. 225; Nebraska, Laws 1919, c. 190; Nevada, Laws 1919, c. 45; New Hampshire, Laws 1919, c. 153; New Jersey, Laws 1916, c. 15, amended Laws 1918, c. 221; New Mexico, Laws 1917, c. 81; New York, Laws 1916, c. 130; North Carolina, Laws 1919, c. 38; North Dakota, Laws 1915, c. 61; Ohio, Laws 1913, p. 658; Oklahoma, Laws 1919, c. 142; Oregon, Laws 1913, c. 284; South Carolina, Laws 1919, c. 130; South Dakota, Laws 1917, c. 354; Tennessee, Laws 1917, c. 139; Texas, Laws 1919, c. 167; Utah, Laws 1917, c. 15; Vermont, Genl. Laws 1917, §§ 641-665; Virginia, Laws 1918, c. 64; Washington, Laws 1915, c. 126; West Virginia, Laws 1917, c. 15 (Constitutional amendment proposed); Wyoming, Laws 1919, c. 10.

<sup>5</sup>H. R. Rep. No. 362, 66th Cong. 1st Sess.

<sup>6</sup>Collins, *The National Budget System and American Finance* (1917) 1.

<sup>7</sup>Delaware, Utah, Nebraska, *supra*, footnote 4.

<sup>8</sup>The commission may include the governor, Alabama, North Carolina, *supra*, footnote 4; or may exclude him, Montana, *supra*, footnote 4.

<sup>9</sup>In New York, *supra*, footnote 4, the budget is prepared by the Finance Committee of the Senate and the Ways and Means Committee of the lower house.

<sup>10</sup>Arkansas, California, Connecticut, Georgia, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, New Hampshire, Ohio, Oregon, South Dakota, Tennessee, Vermont, Washington, *supra*, footnote 4.

<sup>11</sup>Maryland, *supra*, footnote 4. Two-thirds of the votes of members of both houses necessary to increase items, Alabama, *supra*, footnote 4.

consideration of the budget is specified but the power of the legislature to raise or lower the budget items is left intact,<sup>12</sup> although supplemental appropriations are not to be considered until the budget is passed.<sup>13</sup>

The present cumbersome fiscal system of the United States is clearly in need of simplification. The heads of the several executive departments furnish to the Secretary of the Treasury their annual estimates for the public service to be included in the Book of Estimates prepared by law under his direction.<sup>14</sup> The function of the Secretary of the Treasury as regards the estimates is purely clerical. He rearranges the items to comply with the requirements of law<sup>15</sup> and submits the Book of Estimates, so compiled, to Congress.<sup>16</sup> The expenditures are not considered in connection with revenues, nor are the various departmental expenditures brought into harmony with one another. The treatment of the estimates after their presentation to Congress is still more involved. The Book of Estimates is split up into its component parts and sent to congressional committees for consideration. Twenty-nine committees in the two houses of Congress, working independently of one another, prepare bills making demands on the Treasury.<sup>17</sup> Eighteen of these committees report out the bills.<sup>18</sup> This procedure, with its division of responsibility, which we are accustomed to regard as inherent in our governmental system, was inaugurated forty-five years ago largely as the result of a political quarrel.<sup>19</sup>

The complexity of the preparation and ratification of our present fiscal policy is in marked contrast to the over simplicity of its execution and auditing. The President, as the chief executive officer of the nation, is of course entrusted with the administration of the annual work program; but the auditing of expenditures is also largely in his hands, since the Comptroller of the Treasury, who audits the accounts,<sup>20</sup> is a presidential appointee reporting to the Treasury Department, and subject to removal by the executive. Our financial system thus represents these anomalies: the fiscal policy is for the most part prepared and ratified by the legislative branch with slight advice, which is largely dis-

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<sup>12</sup>Virginia, Arizona, *supra*, footnote 4.

<sup>13</sup>Nevada, *supra*, footnote 4.

<sup>14</sup>31 Stat. 1009, U. S. Comp. Stat. (1916) § 6734.

<sup>15</sup>35 Stat. 907, sec. 4, U. S. Comp. Stat. (1916) § 6673.

<sup>16</sup>9 Stat. 108, U. S. Comp. Stat. (1916) § 6732.

<sup>17</sup>Not only does this result in duplication of effort by congressional committees, but, what is far more important, it effectively prevents the committees from detecting duplication of effort in the governmental departments. A single budget authority, viewing departmental expenditures as a whole, would be in a position to detect duplication of bureaus, and to recommend departmental reorganizations.

<sup>18</sup>Collins, *op. cit.*, 52.

<sup>19</sup>The present division of committees in the House was made in 1885 to deprive Mr. Randall, then chairman of the Appropriations Committee, of the power which at that time was vested in one committee. See Hearings Before the Select Committee on the Budget of the House of Representatives on the Establishment of a National Budget System (1919) p. 206.

<sup>20</sup>28 Stat. 206, U. S. Comp. Stat. (1916) § 408.

regarded, from the executive departments; it is then the duty of the executive branch to carry out a work program which it had little to do with formulating; and it is the privilege of the executive to review his own accounts by his own agents without any independent audit.

The Good Bill seems somewhat the more comprehensive of the two bills now before Congress, since it deals with both the preparation<sup>21</sup> and the auditing<sup>22</sup> of the budget. The Good Bill establishes a Budget Bureau in the office of the President.<sup>23</sup> The McCormick Bill establishes a similar Bureau in the office of the Secretary of the Treasury.<sup>24</sup> Under both bills the Bureau details liaison officers to the various governmental departments. Through them the departmental estimates are submitted to the Bureau, which has the power to revise the estimates, and bring them into some relation to one another<sup>25</sup> and to the estimated national revenue. The Budget, as revised, and the original estimates are submitted to Congress for ratification. Since both Houses have the power to determine their rules of procedure<sup>26</sup> both Bills leave to Congressional Resolutions the task of simplifying the legislative procedure.<sup>27</sup> Thus the power of Congress to raise or lower the Budget estimates is left intact, and both bills leave unchanged the execution of the budget. The Good Bill establishes an improved audit system,<sup>28</sup> and also creates a permanent Joint Committee on Receipts and Expenditures<sup>29</sup> to investi-

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<sup>21</sup>H. R. 9783, Sec. 1-8.

<sup>22</sup>H. R. 9783, Sec. 9-14. The Good Bill establishes an Accounting Department under the Comptroller General of the United States. His duty is to audit the accounts, and he is to be subject to removal only by joint action of the two houses. The office of the Comptroller of Currency is abolished.

<sup>23</sup>Among the arguments advanced in favor of this are: that the President, as the nation's chief executive, should be held responsible for its business management; that he alone controls all cabinet officers; that he has an impartial, complete view of their work; that if the Secretary of the Treasury prepared the Budget, he would be in a position superior to other cabinet officers, which would result in friction in the cabinet; that the Treasury Department is itself one of the largest government departments and should be subject to external financial control.

<sup>24</sup>The proponents of this plan urge that the Secretary of the Treasury, being the Nation's chief fiscal officer, responsible for raising revenue, should have a voice in determining expenditures; that creating a Budget Bureau outside of the existing governmental departments would only tend further to multiply boards and bureaus.

<sup>25</sup>The estimates of the War and Navy Departments, except for their civil establishments, and the estimates for the Library of Congress, the Supreme Court, and the legislative branch of the government are exempt from revision by the Budget Bureau.

<sup>26</sup>U. S. Const. Art. I, Sec. 5.

<sup>27</sup>H. R. 324, 66 Cong. 1st Sess., centering in one Committee on Appropriations the authority to report appropriations, has been introduced in the House, but not passed.

<sup>28</sup>*Supra*, footnote 22.

<sup>29</sup>H. R. 9783, sec. 15.

gate methods and procedure. The Good Bill, in particular, points to beneficial changes in our present system, although many defects seem disregarded even in this Bill.<sup>30</sup>

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<sup>30</sup>Among the possible desirable additions to a Budget Bill may be noted: A self-denying ordinance, *i. e.*, a prohibition upon individual members from requesting appropriations from the floor; a prohibition of "riders" on appropriation bills; a time limit upon the debate; and a provision enabling cabinet officers to appear before Congress on their own initiative to urge financial policies.